



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board

Approval Under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: Notice is hereby given of the final approval of proposed information collections by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public).

Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

FOR FURTHER INFORMATION CONTACT:

Federal Reserve Board Clearance Officer — Cynthia Ayouch —
Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829).

Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869), Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer — Shagufta Ahmed — Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503.

Final approval under OMB delegated authority of the extension for three years, without revision, of the following reports:

1. *Report title:* Recordkeeping Requirements Associated with Changes in Foreign Investments (Made Pursuant to Regulation K).

Agency form number: FR 2064.

OMB control number: 7100-0109.

Frequency: On-occasion.

Reporters: State member banks, Edge and agreement corporations, and bank holding companies.

Annual reporting hours: 320 hours.

Estimated average hours per response: 2 hours.

Number of respondents: 40.

General description of report: The recordkeeping requirements of this information collection are mandatory (Section 5(c) of the BHC Act (12 U.S.C. 1844(c); Sections 7 and 13 of the International Banking Act of 1978 (12 U.S.C. 3105 and 3108(a)); Section 25 of the Federal Reserve Act (FRA) (12 U.S.C. 601-604a); Section 25A of the FRA (12 U.S.C. 611-631); and Regulation K (12 CFR 211.8(c)-211.10(a)). Since the Federal Reserve does not collect any records, no issue of confidentiality under the Freedom of Information Act (FOIA) arises. FOIA will only be implicated if the Board's examiners retain a copy of the records in their examination or supervision of the institution, and would be exempt from disclosure pursuant to FOIA (5 U.S.C. 552(b)(4), (b)(6), and (b)(8)).

Abstract: Internationally active U.S. banking organizations are required to maintain adequate internal records to allow examiners to review for compliance with the investment provisions of Regulation K. For each investment made under Subpart A of Regulation K, records should be maintained regarding the type of investment, for example, equity (voting shares, nonvoting shares, partnerships, interests conferring ownership rights, participating loans), binding commitments, capital contributions, and subordinated debt; the amount of the investment; the percentage ownership; activities conducted by the company and the legal authority for such

activities; and whether the investment was made under general consent, prior notice, or specific consent authority. With respect to investments made under general consent authority, information also must be maintained that demonstrates compliance with the various limits set out in Section 211.9 of Regulation K.

2. *Report title:* Notice Requirements in Connection with Regulation W (12 CFR Part 223 Transactions Between Member Banks and Their Affiliates).

Agency form number: Reg W.

OMB control number: 7100-0304.

Frequency: Event-generated.

Reporters: Insured depository institutions and uninsured member banks.

Estimated Annual reporting hours: 100 hours.

Estimated average hours per response: Loan participation renewal notice, 2 hours; Acquisition notice, 6 hours; Internal corporate reorganization transactions notice, 6 hours; and Section 23A additional exemption notice, 10 hours.

Number of respondents: Loan participation renewal notice, 1; Acquisition notice, 1; Internal corporate reorganization transactions notice, 12; and Section 23A additional exemption notice, 2.

General description of report: This information collection is required to evidence compliance with sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1). Confidential and proprietary information collected for the purposes of the Loan Participation Renewal notice (12 CFR 223.15(b)(4)) may be protected under the authority of section (b)(4) of FOIA [5 U.S.C. § 552(b)(4)]. That section of FOIA exempts commercial or financial information deemed competitively sensitive from disclosure. Respondents who desire that the information on this notice be kept confidential in accordance with section (b)(4) can request confidential treatment under the Board's rules at 12 C.F.R. § 261.15. In addition, information that is obtained as part of an examination of a financial institution is exempt from disclosure under exemption (b)(8) of FOIA. 5 U.S.C. § 552(b)(8).

Abstract: On December 12, 2002, the Federal Reserve published a *Federal Register* notice¹ adopting Regulation W (Reg W) to implement sections 23A and 23B. Reg W was effective April 1, 2003. The Board issued Reg W for several reasons. First, the regulatory framework established by the Gramm-Leach-Bliley Act² emphasized the importance of

¹ (67 FR 76603)

² Pub. L. No. 106-102, 113 Stat. 1338 (1999).

sections 23A and 23B as a means to protect depository institutions from losses in transactions with affiliates. Second, adoption of a comprehensive rule simplified the interpretation and application of sections 23A and 23B, ensured that the statute is consistently interpreted and applied, and minimized burden on banking organizations to the extent consistent with the statute's goals. Third, issuing a comprehensive rule allowed the public an opportunity to comment on Federal Reserve interpretations of sections 23A and 23B.

The information collection requirements associated with Regulation W comprise four notices: 1) the Loan Participation Renewal notice (12 CFR 223.15(b)(4)), which is a condition to an exemption for renewals of loan participations involving problem loans; 2) the Acquisition notice (12 CFR 223.31(d)(4)), which is a condition to an exemption for a depository institution's acquisition of an affiliate that becomes an operating subsidiary of the institution after the acquisition; 3) the Internal Corporate Reorganization Transactions notice (12 CFR 223.41(d)(2)), which is a condition to an exemption for internal corporate reorganization transactions; and 4) the Section 23A Additional Exemption notice (12 CFR 223.43(b)), which provides procedures for requesting additional exemptions from the requirements of section 23A. These notifications are event-generated and

must be provided to the appropriate federal banking agency and, if applicable, the Federal Reserve Board within the time periods established by the law and regulation.

Current Actions: On March 14, 2012, the Federal Reserve published a notice in the Federal Register (77 FR 15108) requesting public comment for 60 days on the extension, without revision, of the FR 2064 and Reg W. The comment period for this notice expired on May 14, 2012. The Federal Reserve did not receive any comments.

Board of Governors of the Federal Reserve System, May 17, 2012.

Robert deV. Frierson,
Deputy Secretary of the Board.
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